

STATE BOARD OF ACCOUNTS BOOKKEEPING WORKSHOP 2010

Charlie Pride
Todd Austin

cpride@sboa.in.gov

taustin@sboa.in.gov

www.in.gov/sboa

317/232-2521

Payment of Vouchers

2

- IC 36-12-3-16 Authorization of disbursements and payments
 - ▣ Library board may adopt a resolution allowing money to be disbursed under this section for lawful library purposes, including advertising and promoting the programs and services of the library
 - ▣ With the prior written approval of the library board and if the library board has adopted a resolution under subsection (a), claim payments may be made in advance of library board allowance for items listed
 - Such as dues, subscriptions, and publications
 - License or permit fees
 - Insurance premiums
 - Utility payments or connection charges
 - See complete list in the law

EFT Payment of Vouchers

3

- ❑ IC 36-12-3-16.5 Electronic Funds Transfer
- ❑ IC 5-13-5-5 Ordinance to transact business with a financial institution
- ❑ Ordinance or resolution must:
 - ❑ (1) specify the types of transactions that may be conducted by electronic funds transfer; and
 - ❑ (2) require the proper officers to maintain adequate documentation of the transactions so that they may be audited as provided by law.
 - ❑ Resolution sample on Library webpage at <http://www.in.gov/library/3289.htm> see “Resolution Authorizing Electronic Funds Transfer.”

Transfers of Appropriations

4

- ❑ IC 6-1.1-18-6 Transfer of Money from One Budget Classification to Another
 - ❑ The proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:
 - ❑ (1) They determine that the transfer is necessary;
 - ❑ (2) the transfer does not require expenditure of more money than the total amount set out in the budget as finally determined under this article;
 - ❑ (3) the transfer is made at a regular public meeting and by a proper ordinance/resolution; and
 - ❑ A transfer may be made under this section without notice and without the approval of the Department of Local Government and Finance.
- ❑ Resolution sample available on LDO website at <http://www.in.gov/library/files/twlibofmc.pdf>

Disposal of Assets: Real Property

5

- IC 36-1-11-4 (does not apply to the disposal of personal property by a library board under IC 36-12-3-5(c).)
 - ▣ Joint Appraisal of Property
 - Disposing agent shall first have the property appraised by two (2) appraisers. The appraisers must be:
 - (1) professionally engaged in making appraisals;
 - (2) licensed under IC 25-34.1; or
 - (3) employees of the political subdivision familiar with the value of the property.

Disposal of Assets: Real Property

6

- Publish a notice in accordance with IC 5-3-1 setting forth the terms and conditions of the sale
 - ▣ Notice in accordance with IC 5-3-1, identifying the tracts intended for sale by legal description and, if possible, by key number and street address. The notice must include the offering price and a statement of who is eligible to purchase (person or trust)
 - ▣ At the time of publication of notice under the subsection, the disposing agent shall send notice by certified mail to all abutting landowners. This notice shall contain the same information as the published notice.

Assessed Value Less Than \$15,000/\$6,000

7

- The highest and best use of the parcel is sale to an abutting landowner;
- The cost to the public of maintaining the parcel equals or exceeds the estimated fair market value of the parcel; or
- It is economically unjustifiable to sell the parcel under IC 36-1-11-4. [IC 36-1-11-5(c,d)]
- 10 days after determination, then publish notice in accordance with IC 5-3-1 identifying the tracts intended for sale by legal description and, if possible, by key number and street address. The notice must also include the offering price and not to be sold to an ineligible buyer
- If the assessed value of a tract is less than six thousand dollars (\$6,000), based on the most recent assessment of the tract or of the tract of which it was a part before it was acquired, the disposing agent is not required to have the tract appraised.

Auction Instead of Bids

8

- May use auctioneer licensed under IC 25-6.1 to advertise the sale and to conduct a public auction
- Disposing agent shall give each bidder who has submitted a bid written notice of the time and place of the auction.
- Advertisement by auctioneer is in addition to any other notice required by law and shall include a detailed description of the property to be sold stating the key numbers, if any, of the tracts within that property.
- May pay auctioneer a reasonable compensation out of the gross proceeds of the sale

Bid Notice

- Shall publish a notice in accordance with IC 5-3-1 setting forth the terms and conditions of the sale and, when subsection (e) is employed, may engage an auctioneer licensed under IC 25-6.1 to advertise the sale and to conduct a public auction
- The notice must state the following:
 - (1) Bids will be received beginning on a specific date.
 - (2) The sale will continue from day to day for a period determined by the disposing agent of not more than sixty (60) days.
 - (3) The property may not be sold to a person who is ineligible under section 16 of this chapter.
 - (4) A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:
 - (A) beneficiary of the trust; and
 - (B) settlor empowered to revoke or modify the trust.
- Disposing agent may permit the bidders to determine certain conditions of the sale (required zoning or soil or drainage conditions) as prerequisite to the sale if that is best course of action

Opening Bid

10

- Must be open to public inspection
- Disposing agent
 - ▣ Before expiration of the time set out in the notice, sell the property to the highest and best bidder.
 - ▣ After the period for receiving bids has expired, a disposing agent may sell the property to the highest and best eligible bidder.
 - ▣ May reject all bids

Disposal of Assets: Personal Property

11

- IC 5-22-22-10 Exchange of property between purchasing agency and governmental body
 - ▣ Dispose of Bookmobile
- The disposal of property to a person under an agreement between the person and a governmental body under IC 5-22
- IC 36-12-3-5 Real or personal property; acquisition and disposal
 - ▣ Part c: transfer or nominal fee to a Indiana non-profit
- Sale at auctions, over the Internet, sealed bids, exchange with another governmental body

Capital Asset Records

12

- Library Board Sets the threshold
- Inventory items
 - Land
 - Buildings
 - Improvements Other Than Buildings
 - Equipment
 - Construction Work in Progress
- Form 369 found in Accounting Manual for Libraries in Appendix (A-57)
- Additions and Disposals

Cash Change Fund IC 36-1-8-2

13

- (a) The fiscal body of a political subdivision may permit any of its officers or employees having a duty to collect cash revenues to establish a cash change fund. Such a fund must be established by a warrant drawn on the appropriate fund of the political subdivision in favor of the officer or employee, in an amount determined by the fiscal body, without need for appropriation to be made for it.
- (b) The officer or employee who establishes a cash change fund shall convert the warrant to cash, shall use it to make change when collecting cash revenues, and shall account for it in the same manner as is required for other funds of the political subdivision.
- (c) The fiscal body shall require the entire cash change fund to be returned to the appropriate fund whenever there is a change in the custodian of the fund or if the fund is no longer needed.
- Library Board resolution to establish cash on hand for change.
- Warrant on fund and custodian converts to cash
- No need for an appropriation

Petty Cash Fund IC 36-1-8-3

14

- (a) The fiscal body of a political subdivision may establish a petty cash fund for any of its offices in a like manner to that prescribed by section 2 of this chapter.
- (b) The custodian of a petty cash fund shall use it to pay small or emergency items of operating expense. A receipt shall be taken for each expenditure made from the fund.
- (c) The custodian of a petty cash fund shall periodically file a voucher, with all original receipts totaling the cash claimed expended being attached to it, so that the fund can be reimbursed for expenditures from it. Reimbursement must be approved and made in the same manner as is required for other expenditures of the political subdivision

Daily Deposits

15

- IC 5-13-6-1 Procedure for the Deposit of Public Funds
 - ▣ Public Funds shall be deposited not later than the business day following the receipt of funds on business days of the depository
 - ▣ Public Funds shall be deposited in the same form in which they were received.
 - ▣ Daily receipts received must be deposited intact.

Investments

16

- Public Law 115 (2010) aka HEA 1336
- Certificate of Deposits
- Money Market Mutual Funds
 - ▣ 50% limitation removed
- Municipal Securities
 - ▣ Allows governmental units to invest in municipal securities
- Joint Investments
- Board for Depositories
- Five Star Mortgage Program

Accounting for Interest Earnings

17

- IC 5-13-9-3 Deposit of Interest on Investment
 - ▣ Deposited into general fund or
 - ▣ Deposited into any other fund the governing board designates specifically or by rule
 - ▣ Not to be rolled over and reinvested

Credit Card Transactions

18

- Receipts
 - ▣ IC 36-1-8-11
- Purchases
 - ▣ Requires written policy

Provisional Tax Statements

19

- New Legislation PL 89 aka HEA 1059
- Provisional tax bills required if the County auditor fails to deliver an abstract to the County treasurer before April 1
 - ▣ Failure to make results in recovery of interest
- Property Tax Collections – Advance Tax Draws

Advance Tax Draws

20

- IC 5-13-6-3b
 - ▣ Authorized by formal board resolution
 - ▣ Request made in writing to the County Treasurer
 - ▣ In some counties, customary to also send the request to County Auditor
 - ▣ Advance within 30 days 95%

New Retention Schedule Requirements

21

- Retain Permanently
 - ▣ All minutes
 - ▣ Ledgers of Receipts and Disbursements as permanent financial records
 - ▣ Bond Records, as evidence of indebtedness and payment
 - ▣ Some maintained for three years others for longer periods
 - ▣ Local public records commission final decision as to final decision on destruction or disposition of records

Official Bonds

22

- Library Law official bond of treasurer 36-12-2-22
- Treasurer shall give a surety bond for the faithful performance of the treasurer's duty and for the accurate accounting of all money coming into the treasurer's custody. The bond must be:
 - (1) written by an insurance company licensed to do business in Indiana;
 - (2) for the term of office of the treasurer;
 - (3) in an amount determined by the library board;
 - (4) paid for with the money from the library fund;
 - (5) payable to the state of Indiana;
 - (6) approved by the library board; and (7) deposited in the office of the recorder of the county in which the library district is located.

Miscellaneous Items

23

- Unemployment Compensation
- Vacation, Sick, and Other Leave
- Travel Expense Reimbursement
- Refunds
- Fund(s) of Friends of the Library in separate bank account

Library Annual Report (LAR-1)

24

- Requirements
- Due by March 1, 2011
- Advertising requirements
- Must be filed electronically

Year End Duties

25

- Encumbrances
 - ▣ Outstanding purchase orders and contracts at year end presented so they may be charged to appropriation
 - ▣ Listing required; mail to DLGF.
- Certification of Names and Addresses
 - ▣ Before June 1 and December 1 certify names and actual addresses of every library employee to the County Treasurer for the county where the employee works. [IC 6-1.1-22.14]

Year End Duties Encumbrances

26

- ❑ Appropriations encumbered only through contract or purchase order dated on or before December 31 of that year
- ❑ Balances carried forward to next year for unpaid balances due on contracts or purchase orders
- ❑ Trustees list of all encumbered items, make it part of minutes for last business meeting of year.
- ❑ Mail the list to the Department of Local Government Finance no later than January 31.

Year End Duties

27

- Cancellation of Warrants
 - ▣ IC 5-11-10.5, all checks outstanding and unpaid for a period of two years as of December 31 of each year are void
- Outstanding check list
 - ▣ Receipted to General Fund

Year End Duties

28

□ Dormant Funds

- ▣ Transfer to Operating Fund or Rainy Day Fund

- ▣ (IC 36-1-8-5)

- ▣ Special rules for leftover construction fund balances (IC 5-1-13-2) Use of Surplus Funds

- (1) To maintain a debt service reserve fund for the bonds to which the surplus bond proceeds or investment earnings are attributable, at the level required under the terms of the bonds, if the local issuing body adopts an ordinance, resolution, or order authorizing that use of the proceeds or earnings.
- (2) To pay the principal or interest, or both, on any other bonds of the local issuing body, if the local issuing body adopts an ordinance, a resolution, or an order authorizing the use of the surplus proceeds to pay principal or interest on the bonds.
- (3) To reduce the rate or amount of ad valorem property taxes, special benefit taxes on property, or tax increment revenues imposed by or allocated to the local issuing body.

Year End Duties

29

- Rainy Day Fund
 - ▣ *Accounting Manual* Chapter 3 page 3

Year End Duties

30

- Federal and State Reporting requirements
- W2's, 1099's, 941's
- IRS contact
 - In the West, Raylane Hoff (812) 231-6502
 - In the East Beverly Elsner (812) 378-1254